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V BUSINESS
NOV 6

## ıde orm Organization

The nation's most active state RV-trade associations, along with a Canadian group, have decided to combine forces in a "loose confederation" that will share information on day-to-day operations, promotions, membership and trade shows.

A spokesman for the as-yet-nameless federation added that it will also serve as a legislative "strike force" monitoring industry-related legislation throughout the United States.

At the new organization's inaugural meeting Sept. 28 in New Orleans during the RVDA convention, state trade associations from Texas, Florida, Indiana, Pennsylvania, Michigan and West Virginia—as well as the 450-member RVDA of Canada—expressed an intent to join the federation.

Together, these groups represent more than 2,600 RV manufacturers, suppliers, distributors, campground operators and dealers in the United States and Canada. Sources indicated that other state groups are expected to join the federation, which will meet again in December in Louisville.

A spokesman for the new federation added that the new alliance intends to try to generate more activity among inactive states.

Earl Manning, executive vice president of RVDA of Canada, who was among those attending the group's meeting in New Orleans, said he considers the new alliance "a definite step forward for the international aspect of the industry."

Leff Moore, executive director of the 14-month-old West Virginia Recreational Vehicle Association, added that he viewed the rather informal coalition as "a strong resource" for his fledgling organization. "Any time I can sit down with a counterpart from another state and share ideas and pick his brain—and give back the value of what I've learned here in West Virginia—I will," said Moore.

"We can help each other," agreed Jim Moore, executive vice president of the Pennsylvania RV & Camping Association (PRVCA). "We all have similar problems, and when you get a chance to hear others' experiences, it gives you a better perspective."

"I think the bottom line is that we are all are trying to cooperate and, in the end, make the RV industry stronger," noted Terry Varvil, executive director of the Florida RV Trade Association (FRVTA).

Meanwhile, some sources are interpreting the establishment of the federation, given its national promotion and legislative goals, as a repudiation of recent RVDA efforts to push co-membership programs with the major state associations.

PRVCA's Moore stressed, however, that the emergence of the new group "had nothing to do with" RVDA's campaign for state co-memberships. FRVTA's Varvil added that the new group intends to work closely with national RV trade groups, including RVDA, although it does not plan to align itself with any umbrella association. By the same

*continued on page 8*

Advertising experts and dealers suggest differe niques for evaluating whether ad dollars are deli sales. See page 16.

## Chrysler Plans 'C' Chassis; Studies Market

Chrysler Corp., Detroit, Mich., is "looking at" offering a Class C cutaway-van chassis to the RV market, confirmed a Chrysler spokesman.

"We have everything put together to do it," said Jim Lynch, Chrysler manager of special vehicles, "but we're watching the market situation."

Lynch declined to comment further on industry rumors that the automaker was preparing to re-enter the RV-chassis business with both a Class C chassis and a Class A chassis with a big-block engine. Δ—*Sherman Goldenberg*

## RVIA Survey: 51% Say Stay In Louisville

Of manufacturers responding to RVIA's recent survey about possible changes in timing and location of the annual National RV Trade Show, traditionally held in Louisville, Ky., 51% opted to stay in Louisville, but 49% suggested moving the show to Houston.

Other preliminary findings of the survey are still being reviewed, according to Mary Hutya, RVIA vice president of meetings and shows. The survey was sent to about 10,000 RV-related companies nationally, and some 59% of those contacted replied, she said.

*continued on page 8*

NOV. 6, 1987 TWO DOLLARS

# RV BUSINESS

VOLUME 38, NUMBER 15

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PHOTO: CAUFIELD & SHOOK COLLECTION, UNIVERSITY OF LOUISVILLE PHOTOGRAPHIC ARCHIVES

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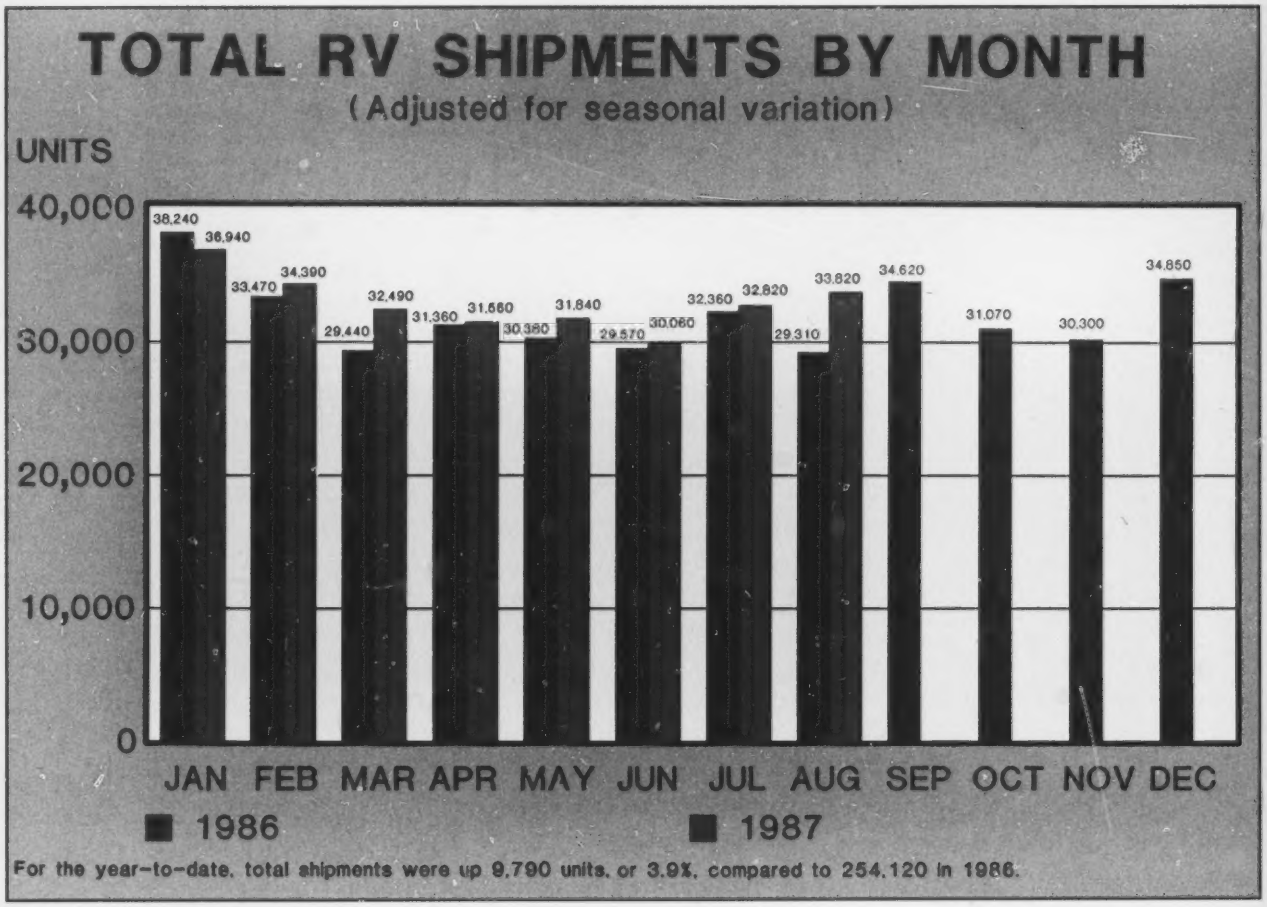
COVER ILLUSTRATION: RHONDA VOO

# SUMMER SHIPMENTS FINISH WITH STRONG SIGNS OF PROGRESS

MORTON J. MARCUS

**Figure 1**




August is frequently a month of fatigue. It is often that dreadful month of sweltering heat, parched earth and excessive family togetherness. Yet for the RV industry, August 1987 will be remembered as a month of sweet progress.

### August's Glad Tidings

August shipment data from RVIA, when adjusted for seasonal patterns, showed continued strength in the industry. Three points were readily obvious, as shown in the numbers of Figure 1:

- Shipments for August 1987 were higher than for July by 1,000 units or 3%.
- Shipments for August 1987 were up 15.4% from the August 1986 level, an improvement of more than 4,500 units.
- For the seventh consecutive month, shipments were up from the corresponding month of a year ago.

All three points indicated a strong performance for the year. At that rate, we can expect total shipments in 1987 to exceed those of 1986 by nearly 15,000 units. Last year, August was the worst month, with a low of 29,310 units shipped. By August of 1987, no month had slipped below 30,000 units, and this August was the third-best monthly tally of the year.

### Van Conversions Weak

Van conversions continued to slip in August. In five of the first eight months of this year, vans have been below the same month of a year earlier. Total vans shipped were running nearly 4,600 units below the total for the year-to-date in August of 1986. (See Figure 2.)

A year ago at this time, vans represented 49.7% of the market (see Figure 3), but, by August 1987, they were down to 46.1% and falling. They were the major statistical drag on the total RV picture; if vans were excluded, total shipments were up not just 3.9% but a full 11.2%. –

**Figure 2**

## RV SHIPMENTS BY TYPE OF UNIT

(Adjusted for seasonal variation)

| TYPE: | AUGUST 1987 | PERCENT CHANGE FROM JULY | YEAR-TO-DATE 1987 | YEAR-TO-DATE 1986 | PERCENT CHANGE |
|---|---|---|---|---|---|
| Travel Trailers: | | | | | |
| Conventional | 4,910 | 2.1 | 39,510 | 36,290 | 8.9 |
| Park Models | 790 | 19.4 | 4,500 | 5,410 | -16.9 |
| Fifth-wheels | 2,400 | 8.1 | 17,230 | 15,000 | 14.9 |
| Folding Camping Trailers | 3,660 | -5.7 | 26,760 | 23,670 | 13.0 |
| Truck Campers | 970 | 36.0 | 6,460 | 4,720 | 36.9 |
| Motorhomes: | | | | | |
| Class A | 3,680 | -2.3 | 25,730 | 21,150 | 21.7 |
| Class B Van Campers | 1,250 | 145.6 | 4,620 | 3,890 | 18.7 |
| Class C: | | | | | |
| -Minis | 1,920 | 11.9 | 13,370 | 12,380 | 8.0 |
| -Low Profile | 200 | 68.7 | 1,460 | 2,320 | -37.0 |
| -Micro-minis | 170 | -41.8 | 2,540 | 3,040 | -16.5 |
| Multi-use Van Conversions | 3,020 | -4.1 | 21,650 | 22,210 | -2.5 |

Detail may not add to total because of rounding.

**Figure 3**

### RV SHIPMENTS BY TYPE OF UNIT

(Year-to-date, adjusted for seasonal variation)

| TYPE | 1987 | 1986 |
|---|---|---|
| TOTAL RVS | 100.0 | 100.0 |
| Nonmotorized Units: | | |
| Conventional | 15.0 | 14.3 |
| Park Models | 1.7 | 2.1 |
| Fifth-wheels | 6.5 | 5.9 |
| Folding Camping Trailers | 10.1 | 9.3 |
| Truck Campers | 2.5 | 1.9 |
| Motorhomes: | | |
| Class A | 9.7 | 8.3 |
| Class B Van Campers | 1.8 | 1.5 |
| Class C: | | |
| Mini | 5.1 | 4.9 |
| Low Profile | .6 | .9 |
| Micro-mini | 1.0 | 1.2 |
| Multi-use Van Conversions | 46.1 | 49.7 |

*Detail may not add to total because of rounding.*

GRAPHICS: CUSTOM COLOR VISUALS

**Figure 4**

### COMPARISON OF TOTAL SHIPMENTS

*(Adjusted for seasonal variation)*

| MONTHS | DIFFERENCE BETWEEN 1987 AND 1986 BY MONTH | | DIFFERENCE BETWEEN 1987 AND 1986 FOR THE YEAR-TO-DATE | |
|---|---|---|---|---|
| | THOUSANDS OF UNITS | PERCENT | THOUSANDS OF UNITS | PERCENT |
| JAN | -1.3 | -3.4 | -1.3 | -3.4 |
| FEB | .9 | 2.7 | -.4 | -.5 |
| MAR | 3.1 | 10.4 | 2.7 | 2.6 |
| APR | .2 | .6 | 2.9 | 2.2 |
| MAY | 1.5 | 4.8 | 4.3 | 2.7 |
| JUN | .5 | 1.7 | 4.8 | 2.5 |
| JUL | .5 | 1.4 | 5.3 | 2.3 |
| AUG | 4.5 | 15.4 | 9.8 | 3.9 |

*Detail may not add to total because of rounding.*

### Robust Growth Elsewhere

The robust health of the rest of the market was seen in many areas. Class A and B motorhomes were up by 21.7% and 18.7%, respectively. Truck campers continued to outperform their pace of last year by 38%. Fifth-wheels were up by more than 2,200 units, or nearly 15%. Both conventional and folding camping trailers were up by more than 3,000 units each.

However, the startling advance made by the low-volume Class B motorhomes, a monthly increase of 145%, should be read most carefully. The unadjusted data from RVIA showed a 40% increase—from 500 to 700 units—but, because August is normally the slowest month in the year for the shipment of Class B units, the seasonal ajustment factor swamped the original numbers and gave us what may be a false signal.

In contrast, low-profile and micro-mini Class C motorhomes continued to move in an opposite direction from the industry and from the minimotorhomes of the same class in August. Park-model units also were failing to keep pace with the industry's advances.

### Shifting Market Shares

As a group, all towables had 35.7% of the total market by August, compared with an even third of the market at the same point last year.

Meanwhile, through August, motorhomes had garnered 18.1% of the market compared with 16.8% a year ago.

These gains in market share, as indicated above, were at the expense of van conversions, which have lost 3.6 points in market share.

### Better Times Ahead?

In summary, the industry looked better by the end of August than it had at any time earlier this year. The strong performances by many vehicle types for the month pushed total shipments to their highest gain over the preceding year.

We will await the September numbers with considerable positive anticipation for confirmation of these glad tidings. Δ

*Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.*

# AUGUST SALES REFLECT UPSWING

GAYLORD MAXWELL

Overall, August was a pretty good month for RV dealers on our Dealer Advisory Board (DAB), which suggests that retailers generally are continuing to enjoy a year that is slightly better than last. Sales volume was up well above the previous August's tally. There was a bit of slippage in new-unit sales of motorhomes and camping trailers compared to last August, but the declines were small. Both travel trailers and fifth-wheels were ahead for the month, and truck campers scored the same as in August of last year.

Year-to-date, the picture continued to be bright. In new units, all types were ahead, and only one used-unit category (camping trailers) was negative. Overall, in terms of both units and dollars, everything was on the plus side.

Profit ratings in August showed that grosses had begun their normal autumn drop, when dealers are willing to take less because customers have become scarcer and winter looms ahead. New-unit profits were most often rated in the fair column, closely followed by good ratings. Used-unit profits were better, with most ratings good, and some excellent.

Inventories appeared to be in good shape, with most dealers calling them average. However, nearly 20% of the DAB dealers indicated that their inventories were low. Lot traffic was rated low to average.

### Motorhomes

Some of the larger DAB members took it on the chin in new-unit sales in August—enough to bring down the average to a negative figure. However, the year-to-date increase was still quite good.

Used-unit sales fared better for the month and maintained a level close to the increase for the year-to-date. It should be noted that, for the year-to-date, only one more new unit was sold compared to used-unit totals—a very strong indication of the increasing importance of used sales.

Profits on new motorhome sales were generally rated as good.

### Travel Trailers

Most trailer dealers on the DAB had a better August this year than last—nothing spectacular, but sales were up. In fact, new-unit sales for both the month and the year-to-date have been up enough this year to suggest that interest in that RV type is regaining popularity. As with motorhomes, new-unit sales were almost matched by used—generally an indication of many entry-level buyers.

New-unit profits weakened somewhat from the previous months but remained very respectable, with most dealers putting them in the good and fair columns. No one rated them as poor.

### Truck Campers

Sales of new units during this August exactly matched those of last year. Year-to-date, the 12% increase was the highest for any category and must be interpreted as a renewed interest by the public in that RV type. Used units were also moving well in August.

New-unit profits were rated as excellent by the two major camper dealers on the DAB.

### Camping Trailers

Although this category fell slightly in new-unit sales from the previous August, the year-to-date figure was still slightly ahead of 1986. Used units moved well during the month but were behind for the year-to-date.

Two members of the DAB had new-unit sales of this type approaching the 300 mark—sales of 300 for each, that is. One is a fold-down specialist, but the other DAB member sells all RV types and is particularly strong in motorhomes.

Profits, as might be expected with this type, were rated to be only fair.

### Fifth-wheels

Sales of fivers appeared to be picking up for both new and used units. Although the sales figures weren't nearly as large as they were for some other types, they were growing. Used sales have been particularly strong this year, perhaps an indication that more retirees (the most frequent buyer) are trying out the RV lifestyle before they jump in with both feet.

Profits were reported to be quite mixed, ranging from excellent to fair. Δ

| | FOR MONTH | | | YEAR-TO-DATE | | | FOR MONTH | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | AUG. 1987 | AUG. 1986 | % CHANGE | 1987 | 1986 | % CHANGE | AUG. 1987 | AUG. 1986 | % CHANGE | 1987 | 1986 | % CHANGE |
| MOTORHOMES | 130 | 136 | –4 | 1,088 | 993 | +10 | 111 | 124 | – 10 | 1,087 | 1,034 | + 5 |
| TRAVEL TRAILERS | 115 | 108 | +6 | 942 | 881 | + 7 | 115 | 102 | + 13 | 849 | 847 | < 1 |
| TRUCK CAMPERS | 17 | 17 | 0 | 174 | 156 | +12 | 17 | 11 | + 55 | 97 | 88 | +10 |
| CAMPING TRAILERS | 85 | 88 | –3 | 990 | 969 | + 2 | 40 | 31 | + 29 | 293 | 304 | – 4 |
| FIFTH-WHEELS | 30 | 28 | +7 | 220 | 211 | + 4 | 22 | 10 | +120 | 147 | 112 | +31 |

| | AUGUST 1987 | AUGUST 1986 | % CHANGE | 1987 | 1986 | % CHANGE |
|---|---|---|---|---|---|---|
| SALES VOLUME | $11,144,713 | $10,422,735 | + 7 | $95,622,000 | $86,871,940 | +10 |
| TOTAL UNIT SALES | 682 | 655 | + 4 | 5,887 | 5,595 | + 5 |
| NEW-UNIT SALES | 377 | 377 | 0 | 3,414 | 3,210 | + 6 |
| USED-UNIT SALES | 305 | 278 | +10 | 2,473 | 2,385 | + 4 |

The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board (DAB), a group comprised of 24 dealers representing a cross section of the U.S. dealer body.

**Gaylord Maxwell,** chairman: **Dave Altman,** Baldwin Park, Calif.; **Annette Autry-Miller,** Fayetteville, N.C.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** North Hollywood, Calif.; **Dick Dasson,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Danny Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Newton Kindhart,** Orlando, Fla.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Jack Moran,** Warwick, R.I.; **Mike Peay,** Albuquerque, N.M.; **Edward Peterson,** Lafayette, Ind.; **William Pifer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Simmons,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Fran Van Pelt,** Aurora, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.